

## GENERAL INSTRUCTIONS

Section 81-1113, Nebraska R.R.S. directs the Budget Division to prescribe the forms and procedures that all agencies must use in compiling their budget requests and establish the deadline for submitting budget requests. Budget requests for the 2005-2007 biennium are due by 5:00 p.m., Wednesday, September 15, 2004.

The automated Budget Request System used each of the last three biennial budget request cycles, will continue to be used for entering the 2005-2007 requests. The system eases the mechanical roll-up functions allowing agencies to focus on more important aspects of budget preparation -- attention to results to be accomplished, goals and objectives necessary to accomplish the agency's purpose, and measures to assess performance, quality and efficiency.

The instructions contain the following sections: General Instructions, with summary information, requirements for submission, and some important definitions; Section I includes information about the operating request and samples of operating budget screens and reports; Section II deals with Capital Construction and Building Renewal requests; Section III describes the Budget Modification process; Section IV deals with the Information Technology summary forms; and, Section V gives instructions for printing the budget documents. The Appendices include projected rates, along with information on persons who may be contacted for help.

Although the work of budget information entry begins at the sub-program level, the instructions continue to begin with the summary level reports, proceeding through the formal budget report as it will be organized and submitted. Many of the summary level forms, however, will be compiled from the detail level information.

### Automated Budget Request Process

Agencies will input budget request information using the automated system. Operating request data is entered at the sub-program level. Historical data will be pre-loaded into the system for each agency. You may view your request at the program and/or agency level throughout the preparation process, but editing has to be done within a sub-program. The operating budget request, capital construction/building renewal request, and the budget modification information will be prepared using the computerized system. The system also includes a module in which information from the agency's request for information technology-related funding is summarized.

The organizational chart **will not be** entered into the budget system but should be prepared separately and accompany the budget submission. Agencies may feel free to provide additional information at any point throughout the request where it seems necessary or where instructions indicate, by inserting a separate sheet in the printed request document.

## Printed Reports

When you have completed your budget request in the budget request system and notified the Budget Division of the version you wish to have locked in, you will need to print and compile the following submissions:

- 3 copies of the Analyst Information Operating Request Detail Report, each set bound separately (4 copies for Higher Education). At the Agency's discretion, one of these copies may be the Public Information Operating Request File Report in lieu of the Analyst Information Operating Request Report;
- 6 sets of the Capital Construction/Building Renewal Request Report, each set bound separately (7 sets for Higher Education); and,
- 3 sets of the Budget Modification Report (4 sets for Higher Education).

Please note the Information Technology Summary reports are not required to be submitted in paper form.

The required pages and instructions for printing each of these reports are detailed in Section V of this booklet. Agencies must submit all requests to the Department of Administrative Services—Budget Division (State Capitol, Room 1320) by September 15, 2004.

## Supplemental Budget Requests for FY 2004-05

Deficit budget requests for FY 2004-05 should be submitted electronically, or in a letter with the agency director's signature, separate from the 2005-2007 biennium budget requests. The letter should include the following details:

1. Program number and fund.
2. Appropriation bill and section to be amended.
3. Amount of change in the appropriation.
4. Complete explanation and justification for the request.

The deadline for submission of supplemental requests for FY 2004-05 will be November 5, 2004. If the supplemental request results in higher costs for subsequent years, those amounts should also be identified in the letter. The 2005-2007 budget request forms should not assume any change in the current FY 2004-05 appropriation related to FY 2004-05 supplemental requests.

## Amended Budget Requests

Revising a budget request after submission requires formal notification from the agency. The System Administrator in the Budget Division will need to "unlock" the final version of the budget request to allow for revisions. Once the revisions have been made in the Budget Request System, new forms should be submitted with a cover letter explaining the revisions. Submit three copies (four for higher education) of the amended budget, with a cover letter, to the Department of Administrative Services—Budget Division. In order to ensure consideration by the Governor, it is recommended that any amendments be submitted by November 15, 2004.

### Definition of Fund Types

To promote consistency in the use of certain fund types, agencies should note and observe the following definitions:

- a. Cash (20000) funds - account for revenues from sources (other than federal agencies) outside of state government and the expenditures of such revenues.
- b. Federal (40000) funds - account for all federal grants and contracts received by the state.
- c. Revolving (50000) funds - account for the operation of state agencies which provide goods and services to other departments or agencies within state government.
- d. Trust (60000) funds - account for assets held by the state in a trustee capacity. Expenditures are made in accordance with the terms of the trust. Do not use trust funds for earmarked cigarette tax revenue, other earmarked state revenue, or for federal grants, federal contracts, or grants and contracts from political subdivisions.

You may contact the budget analyst assigned to your agency or the Accounting Division, if you have any questions or problems regarding these definitions.

### Treatment of Gross Receipts and Gross Expenditures

Proper accounting and budgeting procedures require full reporting of receipts and expenditures. Using net receipts after subtracting expenditures violates this principle. Examples of *improper* accounting include: (1) transfer of expenditures between agencies, (2) decreasing gross income by investment fees or administrative costs before recording net receipts, and (3) failing to reflect these costs as expenditures on the state accounting system. Budget requests must include gross receipts and gross expenditures, with no unrecorded adjustments.

